Inslee: Tentative budget deal eases tuition burden, raises teachers' pay

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Gov. Jay Inslee touted a tentative budget agreement Saturday for easing the burden of college tuition and providing the first cost-of living raises for teachers and state workers since 2008. Numbers were not made available, as lawmakers continue to nail down specifics.

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OLYMPIA — It certainly took long enough — and it isn't yet over — but with an agreement announced on a 2015-17 state operating budget, Democrats and Republicans appear to be getting much of what they wanted.

Gov. Jay Inslee hailed the bipartisan budget agreement reached early Saturday as making significant reinvestments in the state, with "historic" spending on early-childhood education, an easing of college tuition and the first cost-of-living raises for teachers and state workers since 2008.

The agreement adds more money for parks, mental health and other social services and will raise new revenue by closing some tax exemptions — all of which were sought by Democrats. Tax exemptions were only one of several tax proposals Democrats originally called for, but improving revenue forecasts weakened their bargaining position.

Republicans avoided having to raise large amounts of taxes and have gotten a reduction in college tuition that they pushed for this year.

The agreement also provides about \$1.3 billion more for K-12 education, part of satisfying the state Supreme Court's 2012 McCleary decision.

After an all-night negotiating session, Inslee and top lawmakers appeared before the news media Saturday afternoon to announce a broad agreement. They declined to give

numbers and said some details remain to be worked out. But they smiled in seeming agreement that they had reached a compromise on the issues that have divided them.

The budget will total about \$38 billion, with some new revenue coming from the closure of some tax exemptions, though none were specified.

After years of budgetary pressures brought on by the Great Recession, "It is time now to reinvest in Washington state," said Inslee.

Sen. Andy Hill, R-Redmond, the chief GOP budget writer, said the agreement "has the results that I think addresses most people's priorities."

A 1:30 a.m. email by the governor's office announced an "agreement in principle" on what was the last day of a second special legislative session.

A third special session will begin Sunday so that lawmakers can continue working. Without a budget, parts of the government will shut down Wednesday, the start of the new fiscal year.

Chief Democratic budget writer Rep. Ross Hunter of Medina said the budget bill itself likely won't be ready before early Monday evening. Inslee said he is "highly confident" the package will pass both the Senate and House.

Conundrums remain

It has been a complicated budget season, with the state in contempt of the state Supreme Court for not fully planning to fund K-12 education per the court's 2012 McCleary order. Other court cases are forcing the state to improve its treatment of psychiatric patients and people in jail who need competency evaluations, and provide more money for foster care.

While the new education funding addresses some of the McCleary decision, lawmakers have been puzzling over another part of it: how to reform the way local property-tax levies are now used to fund education. Lawmakers and the governor Saturday didn't address levy reform, which is complex and could cost the state billions of dollars.

Also left unaddressed Saturday was Initiative 1351, the K-12 class-size-reduction measure that voters approved in November. Lawmakers have said there's no way they can find the \$5 billion through 2019 to fund it, but in their first two years of law, initiatives require a two-thirds majority in both chambers to be altered.

Even with billions of dollars in new revenue, legislators are still trying to make up for cuts and projects not undertaken during the Great Recession. Lawmakers have been seeking cost-of-living raises for teachers and state workers, more money for early education, and ways to make college more affordable.

Democrats this year initially sought a new capital-gains tax and hikes in part of the state business-and-occupation tax, as well as the end of some tax exemptions, while Republicans insisted that no taxes were needed because of increasing state revenues.

By mid-June, Democrats were insisting only on raising revenue through tax exemptions, which Republicans then signaled they were open to.

Budget serenade

The weekend of budget talks marked the latest bout of waiting and watching since the regular legislative session ended in April. Olympia is sometimes known as a "company town," home to thousands of government workers, some of whom would be among the 25,000 temporarily laid off during a shutdown.

Inside the Capitol building Friday night, legislators did their own waiting, wondering what news might come from the negotiating teams.

Lawmakers who have been involved in negotiations occasionally shuttled back and forth through the Capitol building with sheaves of paper. Legislators not involved in talks shuffled around the building — which includes the governor's office and the House and Senate chambers — in case they were needed for something, anything.

Around 11:30 p.m., melodies began wafting through the building courtesy of a 19th century German violin in the hands of Rep. Vincent Buys, R-Lynden.

"I saw everybody being bored in here, and I've been told it just kind of mellows this place out," said Buys, after playing several tunes on one of the upper balcony floors.

To a mostly empty building, he performed "Ave Maria," "Meditation," "Ashokan Farewell" and "The Imperial March" from the movie "Star Wars."

It was his first chance to play there this year, but Buys has played away on other nights in prior years, when lawmakers ran late and a collective frustration had taken hold.

"For me it's a huge stress release," said Buys. Like on Friday night, just before the budget breakthrough, when tensions were running high.

"We're hoping," he said, "to get out."

Information from The Seattle Times archives is included in this report. Joseph O\'Sullivan: 360-236-8268 or josullivan@seattletimes.com. On Twitter @OlympiaJoe